

Scott McCallum
Governor

Jennifer Reinert
Secretary

Bruce C. Hagen
Division Administrator



State of Wisconsin
Department of Workforce Development

UNEMPLOYMENT INSURANCE
Madison Hearing Office
1801 Aberg Ave., Ste. A
Madison, WI 53707-7975
Telephone: (608) 242-4818
Fax: (608) 242-4813
<http://www.dwd.state.wi.us/ui/>
e-mail: dwdlegalnet@dwd.state.wi.us

September 4, 2001

Attorney David A. Goluba
P.O. Box 261
Ripon, WI 54971-0261

Attorney Kristiane Randal
Department of Commerce
P.O. Box 7838
Madison, WI 53707-7838

RE: Grasee PECFA Matter No. 54971-9527-96
Hearing No. 01-62

Dear Attorneys Goluba and Randal:

Enclosed please find an Interlocutory Ruling in the above matter that serves to amend and replace the Final Decision issued on July 16, 2001. As Attorney Kozich pointed out in his August 9, 2001 letter, an interlocutory ruling is the appropriate response to Attorney Randal's Motion to Dismiss—not a final decision, as this matter will proceed to hearing.

Sincerely,


Gretchen Mrozinski
Administrative Law Judge

Cc: Attorney Dennis W. Kozich
Department of Commerce
P.O. Box 7970
Madison, WI 53707-7970

RECEIVED
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ERS DIVISION

STATE OF WISCONSIN
DEPARTMENT OF COMMERCE

In the matter of the PECFA Appeal of:

Beatrice Grasee
East Side Country Mkt
W13196 Highway 23
Ripon, WI 54971

PECFA Claim # 54971-9527-96
Hearing # 01-62

INTERLOCUTORY RULING

The Department of Commerce has moved for the dismissal of the Claimant's appeal on the grounds that the appeal lacks subject matter jurisdiction, is moot, and is in default.

BACKGROUND

By a decision dated January 25, 2001, the Department of Commerce ("Department") denied approximately \$13,000 in reimbursement for a PECFA claim submitted by the Claimant. The Claimant appealed the decision on February 14, 2001, within the 30-day appeal period. The appeal letter was prepared by the Claimant's attorney, Mr. David Goluba. The appeal letter identified the party at issue, the site address, the amount being appealed, and the decision date. The letter went on to state:

The claimant specifically wishes to appeal:

Each and every cost incurred by the claimant which was deemed ineligible for the reimbursement as a PECFA cost. Each such expenditure deemed ineligible is set forth in the "BREAKDOWN OF PECFA COSTS" forwarded to the claimant. The amount of expenditures deemed ineligible totaled \$12,995.04

The Department's appeal is unreasonable in that:

1. All expenditures were unreasonable;
2. All charges were necessarily incurred in connection with the cleanup project and are reimbursable under Wis. Admin. Code sec. Comm. 47.30;
3. The denial of reimbursement was arbitrary and capricious.

The letter concluded with a request that the Department advise if it felt necessary that the Claimant file any other documents or other information to perfect the appeal. Furthermore, a copy of the decision was attached to the appeal letter.

The Department received the appeal and processed it. On February 14, 2001, the Department sent a letter to the Hearing Office advising the PECFA coordinator that the Claimant had appealed and that the matter should be assigned to an administrative law judge. At various times, the Department has been known to send claimants a letter asking the claimant to provide more detail as to why he or she appealed. Such letter advises the claimant to provide the exact items appealed, every reason for the appeal and why the claimant thought the Department's decision was incorrect. The Department did not send such a letter to the Claimant in the case at hand. However, on February 26, 2001, the Department submitted a motion to dismiss arguing that the Claimant's appeal letter did not comply with Wis. Stat. § 101.02(6).

Wisconsin Stat. § 101.02(6)(f) provides

Such petition for hearing shall be by verified petition filed with the department, setting out specifically and in full detail the order upon which a hearing is desired and every reason why such order is unreasonable, and every issue to be considered by the department on the hearing. The petitioner shall be deemed to have finally waived all objections to any irregularities and illegalities in the order upon which a hearing is sought other than those set forth in the petition. All hearings of the department shall be open to the public.

The Department has interpreted "unreasonable" as meaning incorrect under PECFA program statutes and rules (See *Final Decision on Department's Motion to Dismiss* in PECFA Claim # 53066-3146-31, Hearing #'s 00-194 and 00-193; letter from Department Attorney Kristiane Randal to the PECFA coordinator at the Hearing Office).

DISCUSSION

The Claimant's appeal letter satisfied the requirements of Wis. Stat. § 101.02(6)(f). The letter specifically refers to what is being appealed (the January 25, 2001 determination), and what items are being appealed. The letter further advises the Department that the Claimant is appealing because he/she feels that the Department's decision was unreasonable, the charges were necessarily incurred pursuant to the PECFA program and the denial of reimbursement was arbitrary and capricious. The Department has interpreted "unreasonable" as meaning incorrect under PECFA program statutes and rules. As such, the appeal letter put the Department on notice that the Claimant was appealing the specific items denied in the January 25, 2001 decision because he/she felt that the denial of reimbursement of such items was contrary to the PECFA program statutes and rules. Accordingly, the appeal letter on its face satisfies the requirements of Wis. Stat. § 101.02(6)(f).

Furthermore, the Department's objection to the lack of identified issues is not persuasive. The Department argues that without specific issues, the Department cannot evaluate the appeal, prepare for the hearing, issue a correct notice of hearing, or deny a hearing on issues that have previously been adequately considered. However, during prehearings, the Department, the Claimant and the administrative law judge discuss what is at issue for the upcoming hearing.

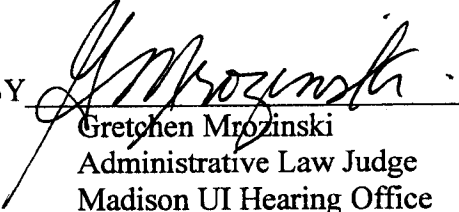
The Department almost always proposes the following issue statement, "Whether the Department's decision dated _____ was incorrect with regard to the items identified in the Claimant's appeal letter dated _____." This is a rather vague, albeit inclusive issue statement, which serves to cover every conceivable issue that could be presented at the hearing. Nevertheless, the Department has not required nor asked for a more specific issue statement. Further, this is the issue statement included on the notice of hearing. This issue statement is no more defined than what the Claimant identified in his/her appeal letter. In addition, the actual hearings are quite uniform. The Department presents its case by using standard department witnesses and standard testimony to demonstrate why a cost was not reimbursed. The Claimant must prove why that cost should be reimbursed. Therefore, when a Claimant appeals, the Department knows who has the burden of proof and what the Claimant must prove. There are very little surprises in these hearings. As such, the Claimant's identification of the issue being whether the Department's decisions were unreasonable is not vague. Finally, if the Department truly felt that it needed more information, it could have sent the Claimant one of its standard letters asking for more information—as it historically has done. It could have clarified the issue by contacting the Claimant through negotiations or otherwise. Under such circumstances, the Department has not been prejudiced by the Claimant's identification of the issue(s).

ORDER

The Department of Commerce's Motion to Dismiss is denied. This matter will proceed to hearing unless otherwise disposed of.

Dated and mailed this 4 day of September 2001.

BY


Gretchen Mrozinski
Administrative Law Judge
Madison UI Hearing Office
1801 Aberg Ave, Suite A
P.O. Box 7975
Madison, WI 53707-7975

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Sincerely,

A handwritten signature in black ink, appearing to read 'Gretchen Mrozinski'.

Gretchen Mrozinski
Administrative Law Judge

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Department of Commerce
P.O. Box 7970
Madison, WI 53707-7970